Alberta

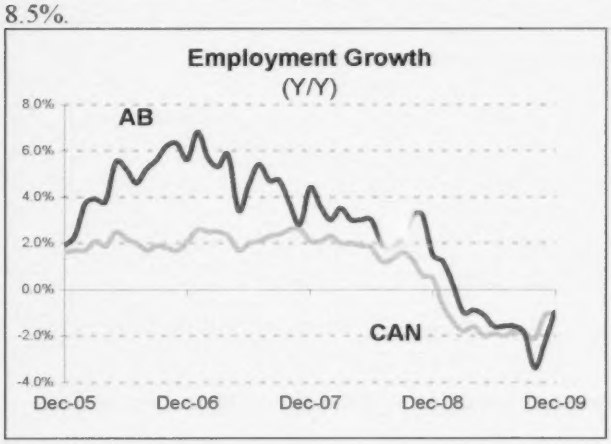
Weekly Economic Review January 8, 2010

Labour Markets

Alberta bucks the trend…

Employment in Alberta increased for the second consecutive month in December as 13,900 jobs were added in Alberta. This was the largest monthly increase in hiring amongst provinces in December, and the most for the province since September 2008. On the strength of the employment growth, the unemployment rate fell from 7.4% to 6.7% in December leaving Alberta with the third lowest rate among provinces, behind only Saskatchewan (4.8%) and Manitoba (5.7%).

Nationally, employment decreased by 2,600 in December and the unemployment rate remained at 8.5%.



Job losses continue in the US…

While revised data showed that the US economy created jobs (4,000) in November for the first time in nearly two years, employment fell by 85,000 in December.

The construction (-53,000) and manufacturing (-27,000) sectors continued to suffer the largest job losses, while temporary help services added 46,500. The US unemployment rate held steady at 10.0% in December, up 4.9 percentage points since the start of the recession in December 2007.

Rigs Drilling

Drilling activity continues to rebound…

The average number of rigs drilling in Alberta continued to recover in December, with 227 rigs active, an increase of 49.0% from November. However, despite the improvement the average number of rigs drilling was down 3.8% from December 2008. The average for 2009 was 45.6% lower than 2008. Average rig utilization in Alberta also increased in December to 39.0%, compared to 26.0% in November.

↑	**Canadian Dollar (US¢/CS)**	
	January 8, 2010	96.67
	December 18, 2009	93.65
	2009-10 YTD	90.69
↑	**WTI Oil US$/bbl**	
	January 7, 2010	$ 82.66
	December 17, 2009	$ 72.65
	2009-10 YTD	$ 68.39
↓	**Nymex Natural Gas CS/MMBtu** *	
	Near-month Contract	
	January 8, 2010	$ 5.90
	December 18, 2009	$ 6.18

*Estimate based on Nymex Futures Market Price

Industrial Prices

Industrial prices stabilize…

After two consecutive monthly declines, the Industrial Product Price Index increased by 1.0% in November. Higher prices for petroleum and coal products (4.7%) and primary metal products (1.3%) were the major cause of the increase and none of the 21 major product groups registered a decline in November. The Raw Materials Price Index increased 2.2% on a month-over-month basis in November, due largely to higher prices for non-ferrous metals (4.8%) and mineral fuels (2.1%).

Canadian GDP

Second consecutive increase in October …

Canadian real GDP increased by 0.2% in October, its second consecutive monthly increase. The increase was fueled with gains in most sectors of the economy with notable strength in the retail trade (0.3%), finance, insurance and real estate (0.2%) and construction (0.1%) sectors. Declines in natural gas and oil extraction caused the mining and oil and gas extraction sector to decline by 0.4% in October.

Alberta

CURRENT ECONOMIC INDICATORS

Overall Economy	2007	2008	2009YTD*	Jul	Aug	Sep	Oct	Nov	Dec
Real GDP (in 2002 $billions)	185.9	185.8	--	--	--	--	--	--	--
% change	2.5	0.0	--	--	--	--	--	--	--
Nominal GDP ($ billions)	256.9	291.3	--	--	--	--	--	--	--
% change	7.7	14.1	--	--	--	--	--	--	--
Population[1] (000's) (level) NEW!	3,513	3,596	3,688	3,688	--	--	3,704	--	--
% change	2.7	2.4	2.6	2.6	--	--	2.3	--	--
Net Interprovincial Migraton[1] (level)	33,809	15,317	23,006	4,737	--	--	-2,535	--	--
Net International Migration[1] (level) NEW!	16,372	20,039	20,074	6,089	--	--	7,976	--	--
Net Non-permanent Residents[1] (level)	14,105	18,536	19,058	2,594	--	--	2,439	--	--
Labour Market									
Employment (000's) NEW!	1,959	2,013	1,988	1,986	1,979	1,982	1,967	1,980	1,994
% change	4.7	2.8	-1.3	-1.6	-1.6	-1.9	-3.4	-2.3	-1.0
Unemployment Rate (%) NEW!	3.5	3.6	6.6	7.2	7.4	7.1	7.5	7.4	6.7
Average Hourly Wage Rate	6.0	5.7	4.3	4.6	5.9	3.7	3.9	2.5	1.4
Average Weekly Earnings[2]	5.8	6.0	3.5	4.1	1.2	0.6	2.5	--	--
Labour Income[3]	10.5	8.7	1.7	0.3	-1.6	-1.9	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	-0.2	-1.5	-1.7	-1.1	0.1	0.8	--
Excluding food and energy	5.0	2.1	1.5	1.4	1.3	1.4	1.8	1.0	--
Non-Res. Const. Cost Index[4] (quarterly)	17.4	13.2	-9.3	--	--	-14.8	--	--	--
Farm Product Price Index	15.1	11.2	-10.6	-16.6	-17.3	-18.8	--	--	--
Crops	43.4	26.2	-22.9	-26.5	-23.6	-20.2	--	--	--
Livestock	0.6	2.3	0.4	-9.8	-15.4	-13.2	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	18.2	19.3	20.1	22.6	25.0	24.8	--
% change	-2.1	-39.7	-38.8	-32.0	-13.7	-6.2	-0.8	21.0	--
New Housing Price Index	22.5	0.7	-9.4	-9.3	-8.9	-8.9	-7.9	--	--
Edmonton	32.1	1.0	-11.5	-11.1	-11.4	-11.4	-10.1	--	--
Calgary	16.2	0.6	-7.3	-7.3	-6.3	-6.4	-5.6	--	--
MLS Average Resale Prices	24.3	-1.4	-3.9	-2.4	0.2	1.3	2.6	3.5	--
Edmonton	34.3	-2.0	-4.1	-3.1	-3.3	0.7	0.4	0.0	--
Calgary	18.7	-2.9	-5.2	-5.2	-0.4	1.1	2.9	4.4	--
Retail Sales NEW!	9.3	-0.1	-9.6	-8.4	-10.1	-8.8	-7.0	--	--
New Motor Vehicle Sales	3.3	-7.3	-23.4	-18.6	-20.6	-15.6	-13.3	--	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling NEW!	-35.2	-2.1	-45.6	-66.2	-62.7	-54.1	-50.9	-35.6	-3.8
Goods Exports (customs based)	5.3	34.6	-39.2	-43.9	-42.6	-40.3	-39.6	--	--
Energy	4.4	42.5	-44.1	-48.0	-45.1	-42.3	-41.3	--	--
Agriculture	9.8	32.0	-7.4	-6.8	-9.3	-23.8	-23.8	--	--
Total Farm Cash Receipts (quarterly)	11.9	17.2	-6.7	--	--	-16.1	--	--	--
Manufacturing Shipments	1.1	7.0	-23.9	-32.7	-25.8	-28.8	-24.9	--	--
Wholesale Trade	5.0	10.9	-14.2	-16.8	-22.5	-20.3	-23.8	--	--
Building Permits	13.4	-16.5	-24.4	-29.8	-7.6	-8.0	70.1	--	--
Residential	10.7	-31.5	-22.8	-9.5	39.1	40.8	47.2	--	--
Non-residential	17.1	3.7	-25.8	-46.1	-46.9	-46.0	93.7	--	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).2009 YTD population numbers are final for the census year.

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

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CURRENT ECONOMIC INDICATORS, BY PROVINCE

		Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Autumn 2009)												
Real GDP Growth												
2008 (actuals, Statistics Canada)		***0.4%***	0.5%	0.5%	2.2%	0.0%	1.0%	-0.5%	2.0%	4.2%	**0.0%**	0.0%
2009		***-2.3%***	-3.6%	0.9%	0.4%	0.4%	-1.4%	-2.9%	0.5%	-2.6%	**-2.6%**	-2.0%
2010		***3.0%***	-0.5%	1.8%	1.9%	2.0%	2.4%	3.2%	2.5%	3.7%	**3.0%**	4.2%
Population (As of October 1, 2009)												
Population	NEW!	**33,873,357**	510,272	141,374	940,397	750,457	7,856,881	13,119,251	1,226,196	1,034,974	**3,703,979**	4,479,934
Annual Growth Rate[a]	NEW!	***1.2%***	0.5%	0.7%	0.3%	0.4%	1.0%	1.0%	1.4%	1.6%	**2.3%**	1.6%
Net Interprovincial Migration												
2009 Census Year (July 1, 2008 to June 30, 2009)	NEW!		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
2010 Census Year (July 1, 2009 to June 30, 2010)	NEW!		863	-283	320	38	-120	-1,748	-712	823	**-2,535**	3,457
Employment												
Level Change (000s)[b]		**-184.0**	1.3	2.0	-1.0	-2.4	-17.1	-117.8	-4.6	2.6	**-20.1**	-27.0
Percent Change[b]	NEW!	***-1.1%***	0.6%	3.0%	-0.2%	-0.7%	-0.4%	-1.8%	-0.8%	0.5%	**-1.0%**	-1.2%
Unemployment Rate, 2009 avg (SA)		***8.3***	15.5	12.1	9.2	8.9	8.5	9.1	5.2	4.8	**6.5**	7.6
Participation Rate, 2009 avg (SA)		***67.3***	59.3	68.0	64.6	64.7	65.2	67.3	69.4	70.2	**74.3**	66.0
Average Weekly Earnings												
October 2009		**831.17**	810.87	705.11	735.05	756.42	767.62	857.05	789.85	815.22	**953.69**	805.57
Y/Y Percent Increase[c]	NEW!	***1.7%***	4.6%	5.0%	1.2%	2.3%	70.0%	1.6%	5.1%	3.0%	**2.5%**	1.8%
2009 Wage Settlements (Jan-Nov)											**2.2%**	
CPI Inflation												
November Annual		**1.0%**	1.1%	1.9%	1.7%	2.2%	1.7%	1.0%	0.8%	0.8%	**0.8%**	0.1%
Excluding Shelter		**2.0%**	1.7%	3.3%	2.6%	2.5%	2.2%	2.2%	1.3%	1.6%	**2.1%**	1.2%
Housing Starts (000s)												
SAAR November 2009		**158.5**	3.2	1.0	2.8	3.9	40.4	53.0	4.2	6.1	**24.8**	19.2
Retail Sales												
Percent Change[d]	NEW!	**-0.2%**	5.2%	1.7%	4.2%	1.9%	1.5%	0.3%	1.8%	-0.6%	**-7.0%**	0.7%
2009 YTD Retail Sales Growth	NEW!	**-4.4%**	1.9%	-1.1%	-1.2%	-1.2%	-2.0%	-3.9%	-2.0%	-2.9%	**-9.6%**	-7.1%
Manufacturing Shipments												
Percent Change[d]		**-17.2%**	-22.1%	-10.8%	-16.9%	-29.3%	-15.4%	-15.4%	-19.3%	-16.7%	**-24.9%**	-17.0%

a. Over the past 12 months
b. December 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to October 2009
d. October 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada